

MINOR CAPITAL OUTLAY

6807

(Revised 11/2017)

Minor capital outlay is any project under \$656,000 (except an acquisition project) which is scheduled in the Budget Act specifically as minor capital outlay. However, Resources Agency capital outlay projects of up to \$903,000 may be proposed as minor projects with the concurrence of DOF (Public Contract Code 10108.5). The \$903,000 limit does not apply to district agricultural associations or the State Lands Commission.

Important budgeting points include:

1. Per Section 3.00 of the Budget Act, the term *minor projects* includes planning, working drawings, construction, improvements, and equipment projects not specifically set forth in the budget schedule. It does not include any acquisition project, regardless of amount.
2. Minor projects are generally budgeted in a single schedule. Any project not scheduled specifically as a minor project, regardless of amount, is a major project. (The decision on how to propose scheduling the project is determined by Finance.)
3. DGS may delegate the authority to individual departments to carry out a minor project directly, pursuant to the Public Contract Code Section 10808 and 10808.5.
4. Per Section 1.80 of the Budget Act, the period of appropriation availability for minor projects is one year, followed by a two-year liquidation period. (Major projects have up to three years of expenditure availability.)
5. A minor project is not subject to PWB oversight. Consequently, by practice, PWB will not augment minor projects since they are not subject to the PWB approval processes.
6. Finance may increase the approved amount of a minor capital outlay project through a redirection within the minor program if the project is not scheduled individually and the amount of the increase does not result in a project of over \$656,000. Substitution of minor projects is permissible with Finance concurrence and based on critical need. A complete COBCP (Section 6818) for the new project is required when requesting the substitution of a minor project along with all other justification.
7. Minor projects may be subject to provisions of the California Environmental Quality Act (CEQA) as described in Section 6850.
8. Each year, Finance issues a budget letter requesting the submission of all minor project budget requests. Each proposed project must be submitted in the format for major projects outlined in Section 6818.

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9. Reappropriation of minor projects is not generally permitted. Minor projects should be projects where all funds can be encumbered in one year.

10. It is not permissible to “piecemeal” larger projects through several minor projects.

Minor projects created through Section 6.00 of the Budget Act: As described in Section 6806, a minor project may be created for *alteration of a state facility* using support funds, subject to Finance approval when the total project amount is between \$100,000 and \$656,000.

The request must include all the information required in a COBCP (Section 6818). The request must be submitted at least 60 days in advance of proposed project implementation (30 days for Finance to review the request and notify the Legislature; 30 days for the Legislature’s review), and no later than April 30 of each year. (Submit copies of the request to *both* the Finance support analyst and the Capital Outlay Unit, along with any related Form 22 for transfer of funds to DGS’ Architecture Revolving Fund.)